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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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April 10, 2001

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

RE: EX PARTE CC Docket No. 98-184

Dear Ms. Salas:

This is to provide notice that the attached letter from Jeffrey Ward to Carol Matthey should be filed in the above-referenced matter. Specifically, the letter requests an extension of time for the agreed upon procedures audit for Verizon's separate data affiliate, a condition of the Bell Atlantic-GTE merger order.

The attached letter to Carol Matthey describes more fully the request. Two copies of this notice are being submitted to the Secretary of the FCC in accordance with section 1.1206 of the Commission's rules.

Very truly yours,



Attachment

cc: Ms. Matthey  
Mr. Dale  
Mr. Stephens

No. of Copies rec'd 041  
List A B C D E

Jeffrey Wm Ward  
Senior Vice President  
Regulatory Compliance

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY



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April 9, 2001

Ms. Carol Matthey  
Deputy Bureau Chief  
Federal Communications Commission  
Common Carrier Bureau  
445 Twelfth Street, S.W. Room 5-C451  
Washington, DC 20554

Re: Verizon Separate Data Affiliate/Extension  
of Time for Agreed Upon Procedures Audit

Dear Ms. Matthey:

I am writing to request an extension to June 29 of the deadline for submitting the final year 2000 audit report regarding compliance with the separate Advanced Services affiliate requirements of Section I of the Bell Atlantic/GTE merger conditions.<sup>1</sup> Under the current draft of the Agreed Upon Procedures, the independent auditor is to submit a draft audit report to the Commission and Verizon on April 9 and a final report on May 1. The auditor to date has not compiled the information necessary to complete the audit report. The April 9 and May 1 dates will not be met.

This extension is justified. First, the merger conditions contemplated that the Commission and Verizon would finalize the Agreed Upon Procedures by October 2000. Despite the good faith efforts of both parties, the Procedures were not finalized by this date. In fact, several procedures remain outstanding. In December 2000, Tony Dale acknowledged that Verizon was not to blame for this delay. As a result of the protracted negotiations of the Procedures, however, a partial list of the Procedures was not released to the auditor until December 6.

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<sup>1</sup> See *In re Applications of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order (rel. June 16, 2000), Appendix D, Section XXII at ¶ 57 (establishing a May 1 deadline for submitting a final audit report).

Second, much of the information necessary to perform the audit was not available until after December 27. The merger conditions required the separate Advanced Services affiliate to operate in "steady state" by this date. The auditor could not assess compliance with this condition until this date had passed. For example, the auditor has asked for a list of Advanced Services customers who were transferred to the separate affiliate. Since most of the customers were transferred in December, they would not appear in the affiliate's records until the next billing cycle. Over the past several months we have been working diligently to assemble and respond to the auditor's voluminous data requests. Indeed, only a handful of requests are outstanding. Once this information is delivered,

the auditor still needs 5 weeks to analyze it (including in some cases performing statistical sampling) before reaching a conclusion. Additional time is then required to write the report.

Given these circumstances, Verizon requests that the deadline for submitting the final report as stated in paragraph 57 of the merger conditions be changed from May 1 to June 29 solely for the year 2000 audit. The report will include the results for all procedures and sampling plans agreed to by the Commission and Verizon by May 1. The auditor would deliver a draft report on June 8, comments from Verizon and the Commission would be due June 15 and a revised draft would be delivered on June 23. This would give Verizon five business days to prepare any necessary requests for confidential treatment prior to submission of the final report. In the event all procedures and statistical sampling are not completed by May 1, Verizon and the Commission will either agree to extend the foregoing dates on a day-for-day basis until completed, or cause the auditor to issue a supplemental report covering these items.

Sincerely,

  
Jeffrey W. Ward  
Sr Vice President, Regulatory Compliance

cc: Anthony Dale, Esquire  
Gordon R. Evans  
Mark Stephens